

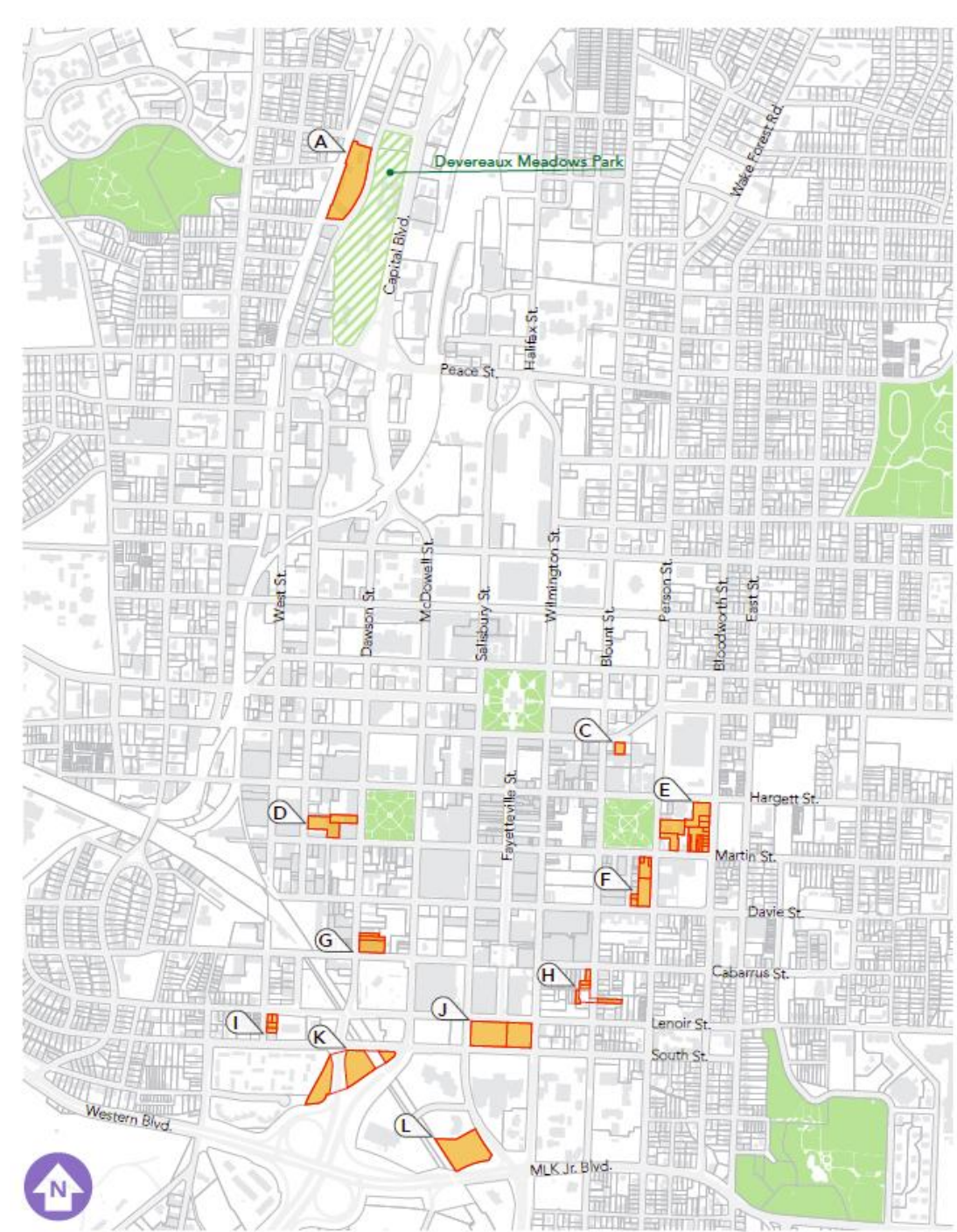


DOWNTOWN LAND DISPOSITION STRATEGY

City Council Meeting

August 15, 2017

HR&A
Analyze. Advise. Act.



Disposition Study Process



**POLICY & LEGAL
REVIEW**



**STAKEHOLDER
ENGAGEMENT**



**SITE
REDEVELOPMENT
PROGRAMS**



**COORDINATED
DISPOSITION
STRATEGY**

Key Public Priorities



HOUSING

Including affordable and supportive housing



ECONOMIC DEVELOPMENT

Including corporate HQ and large businesses, business incubators, and tourism growth



PARKS

Including green space and public plazas



RETAIL

Such as authentic local shops or a grocery store



COMMUNITY FACILITIES

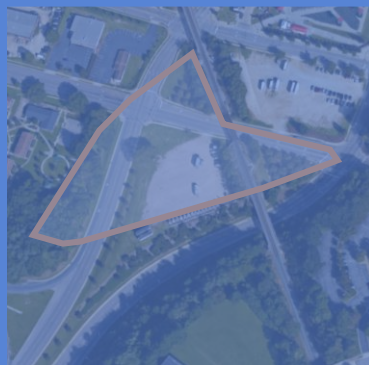
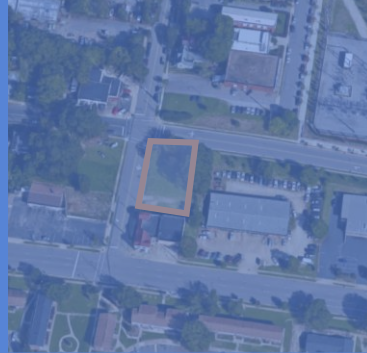
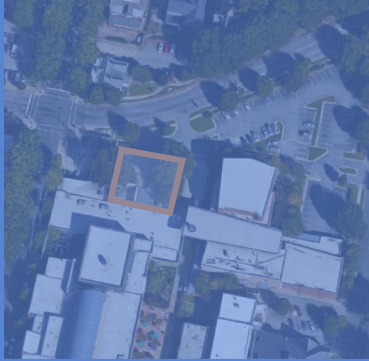
Including fire and police, meeting space, childcare, and senior facilities



ARTS AND CULTURE

Including performance venues, studios, rehearsal space, and historic reuse

Focus Sites



SITE USE CATEGORIES

Employment Center

Housing Opportunities

Mixed-Use Center

**Cultural, Open Space, &
Community Facilities
Support**

Market Activation

Guiding Development Outcomes

Significant Public Control

Timeline for Site Disposition

Near-Term (0-2 Years)

Medium-Term (3-5 Years)

Long-Term (Beyond 5 Years)

Site F: City Market Surface Lot – Overview



SCENARIO 1

Housing w/ City-Owned Open Space Support

- Retain Horse Barn for privately-leased retail venue
- Retain Norwood House as City offices
- Sell remainder of site for housing

SCENARIO 2

Retail and City-Owned Open Space Support

- Retain Horse Barn for privately-leased retail venue
- Retain Norwood House as City offices
- Remainder of site retained as parking to support businesses

Site F: City Market Surface Lot – Disposition Timeline, Method, and Proceeds



Timeline:
Near-Term Disposition (0-2 years)

Site Category:
Guiding Development Outcomes

	SCENARIO 1	SCENARIO 2
HORSE BARN ANNUAL PROCEEDS	\$40,000	\$40,000
LAND SALE PROCEEDS	\$3.2M	--
FIRST YEAR TAX REVENUES	\$10,000	--
ANNUAL PARKING REVENUES	--	\$170,000
TOTAL REVENUE IMPACT (2018-2032)	\$3.6M	\$2.5M

Site F: City Market Surface Lot – Opportunities, Issues, and Questions



Opportunities:

- *Housing*
- *Retail Supporting Park*

Issues:

- *Replacing Lost Surface Parking*

Key Question:

Should staff begin the process of making the Horse Barn available for lease?

Site H: Scattered Blount St. Sites – Overview



SCENARIO 1

Preservation & Mixed-Use Center

- Dispose eastern parcel with preservation easement, assumed as retail or community use
- Remainder of the eastern block assumed to be assembled and developed as housing
- Dispose western parcel for mixed-use project(s) complementing Lincoln Theater and Pope House

SCENARIO 2

Unencumbered Disposition & Mixed-Use Center

- Disposes eastern parcel with no stipulation, assume assembly to larger housing project
- Disposes western parcel for mixed-use project(s) complementing Lincoln Theater and Pope House

Site H: Scattered Blount St. Sites – Disposition Timeline, Method, and Proceeds



Timeline:

Near-Term Disposition (0-2 years)

Site Category:

Market Activation/Significant Public Control

	SCENARIO 1	SCENARIO 2
LAND SALE PROCEEDS	\$300,000	\$700,000
FIRST YEAR TAX REVENUES	\$320,000	\$320,000
TOTAL REVENUE IMPACT (2018-2032)	\$3.4M	\$3.8M

Existing Structure at 517 S. Blount St.

Site H: Scattered Blount St. Sites – Opportunities, Issues, and Questions



Opportunities:

- *Housing*
- *Uses Complementing Pope House and Lincoln Theatre*

Issues:

- *Transition of Scale from Downtown*
- *Preservation of 517 S. Blount Street*

Key Questions:

Should 517 S. Blount Street be protected with a preservation easement?

Should staff move forward with a negotiated offer and upset bid process for these sites?



Existing Structure at 517 S. Blount St.

Site E: Moore Square East Block – Overview



Size: 2.53 acres

Zoning: DX-20 / DX-12

Moore Square

E. Hargett St

S. Bloodworth St.

SCENARIO 1

Unassembled Mixed-Use Center

- No assembly
- Sell Bloodworth St frontage for housing
- Sell Person St frontage for mixed-use/hospitality use
- Assume moderate-density mixed use on non-City owned parcels

SCENARIO 2

Assembled Mix-Use Center

- Proactive assembly for cohesive program maximizing site development potential
- Bloodworth St frontage developed for housing
- Remainder of block developed as mixed-use employment, hospitality, and housing uses
- Shared parking

Site E: Moore Square East Block – Disposition Timeline, Method, and Proceeds



Timeline:
Medium-Term Disposition (2-5 years)

Site Category:
Significant Public Control

	SCENARIO 1	SCENARIO 2
LAND SALE PROCEEDS	\$8.4M	\$17.1M
FIRST YEAR TAX REVENUES	\$710,000	\$730,000
TOTAL REVENUE IMPACT (2018-2032)	\$18.0M	\$28.3M

Site E: Moore Square East Block – Opportunities and Issues



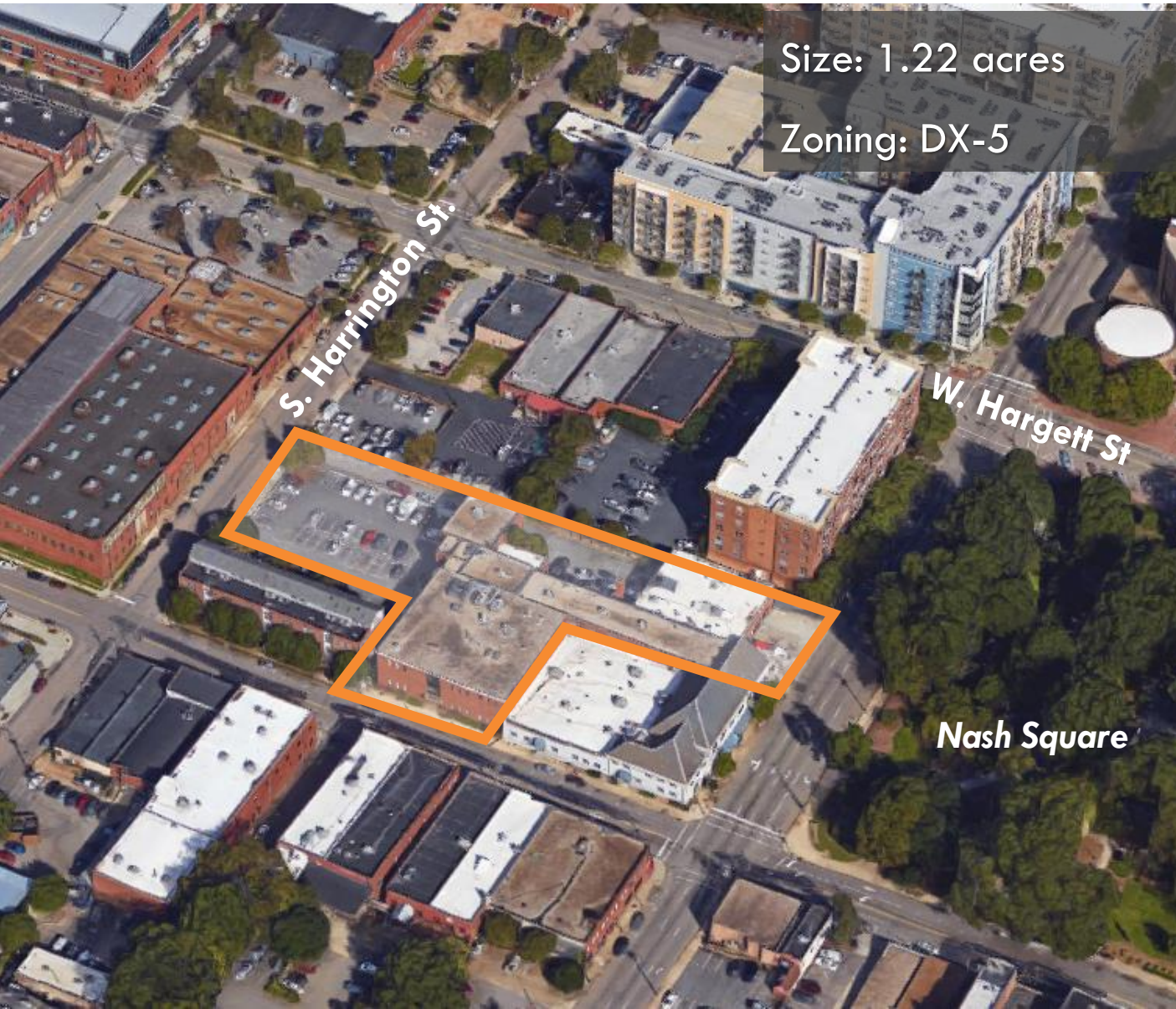
Opportunities:

- *Housing*
- *Economic Development*
- *Hospitality*
- *Retail and Community Uses*
- *Parking to Support Moore Square*

Issues:

- *Permanent Home for Raleigh Rescue Mission*
- *Site Assembly*

Site D: Nash Square West Block – Overview



SCENARIO 1

Lower Density Employment Center

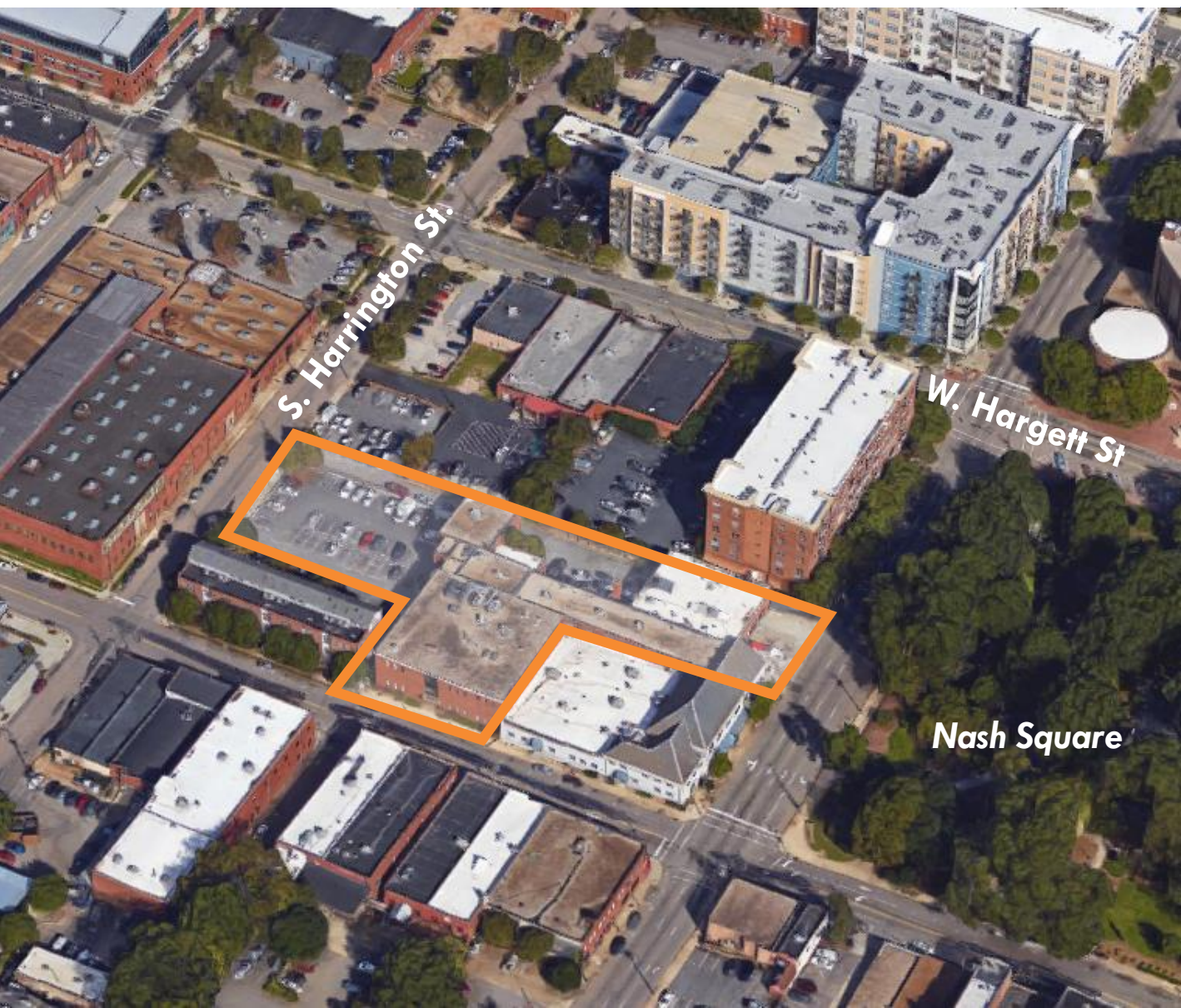
- Remains DX-5
- Sell the Dillon Building and Fire Station #1, which are renovated
- No assembly

SCENARIO 2

Higher Density Employment Center

- Rezoned DX-12
- Sell the Dillon Building and Fire Station #1 to create higher-density employment center
- Legal Aid Building may be preserved

Site D: Nash Square West Block – Disposition Timeline, Method, and Proceeds



Timeline:
Long-Term Disposition (>5 years)

Site Category:
Guiding Development Outcomes

	SCENARIO 1	SCENARIO 2
LAND SALE PROCEEDS	\$2.9M	\$0M
FIRST YEAR TAX REVENUES	\$120,000	\$490,000
TOTAL REVENUE IMPACT (2018-2032)	\$2.8M	\$1.2M

Site D: Nash Square West Block – Opportunities and Issues



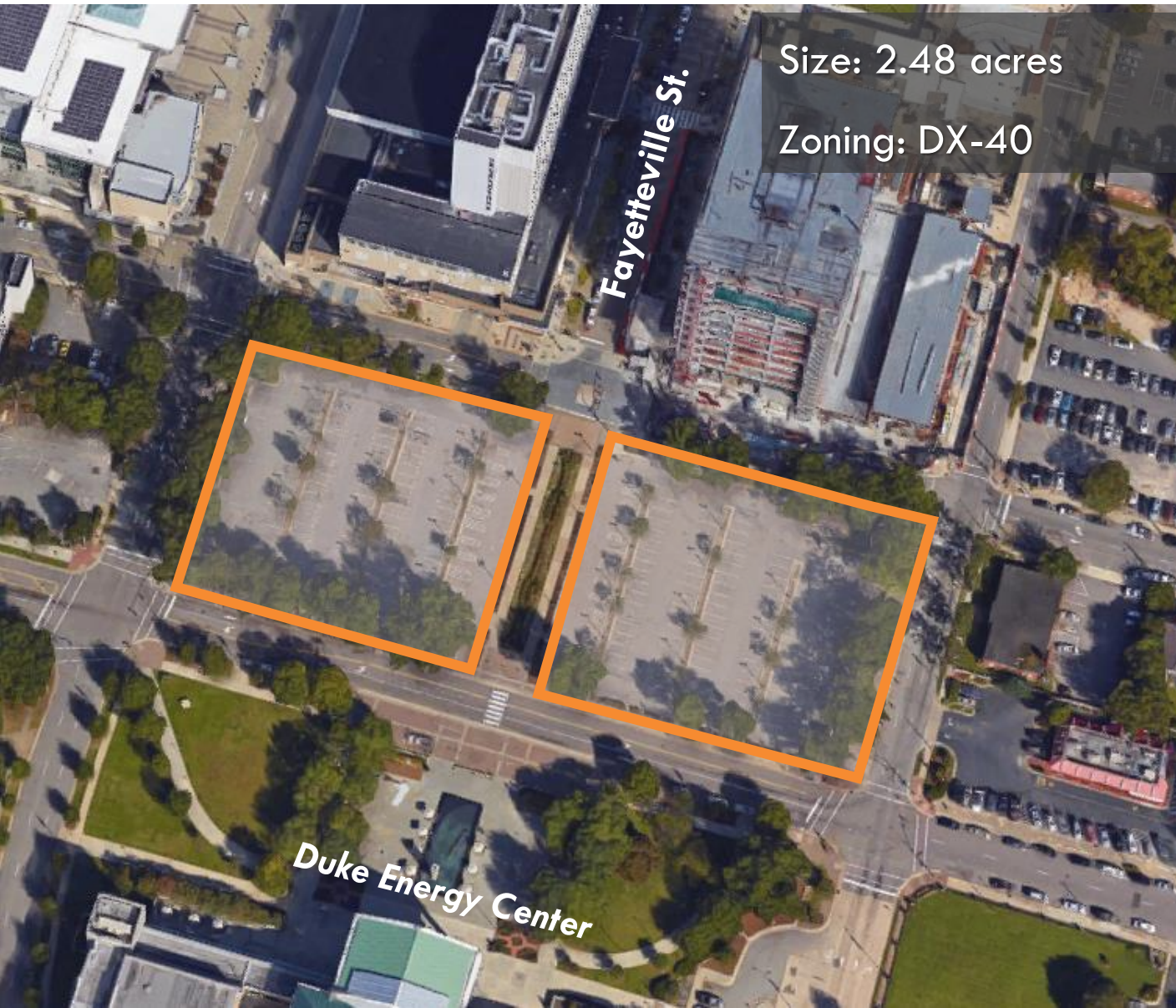
Opportunities:

- *Transit-Oriented Employment Center*
- *Preserve Legal Aid Building*

Issues:

- *Space Needed for Several More Years*
- *Parcel Configuration*

Site J: Duke Energy Center Surface Lots – Overview



SCENARIO 1

Major Employment Center

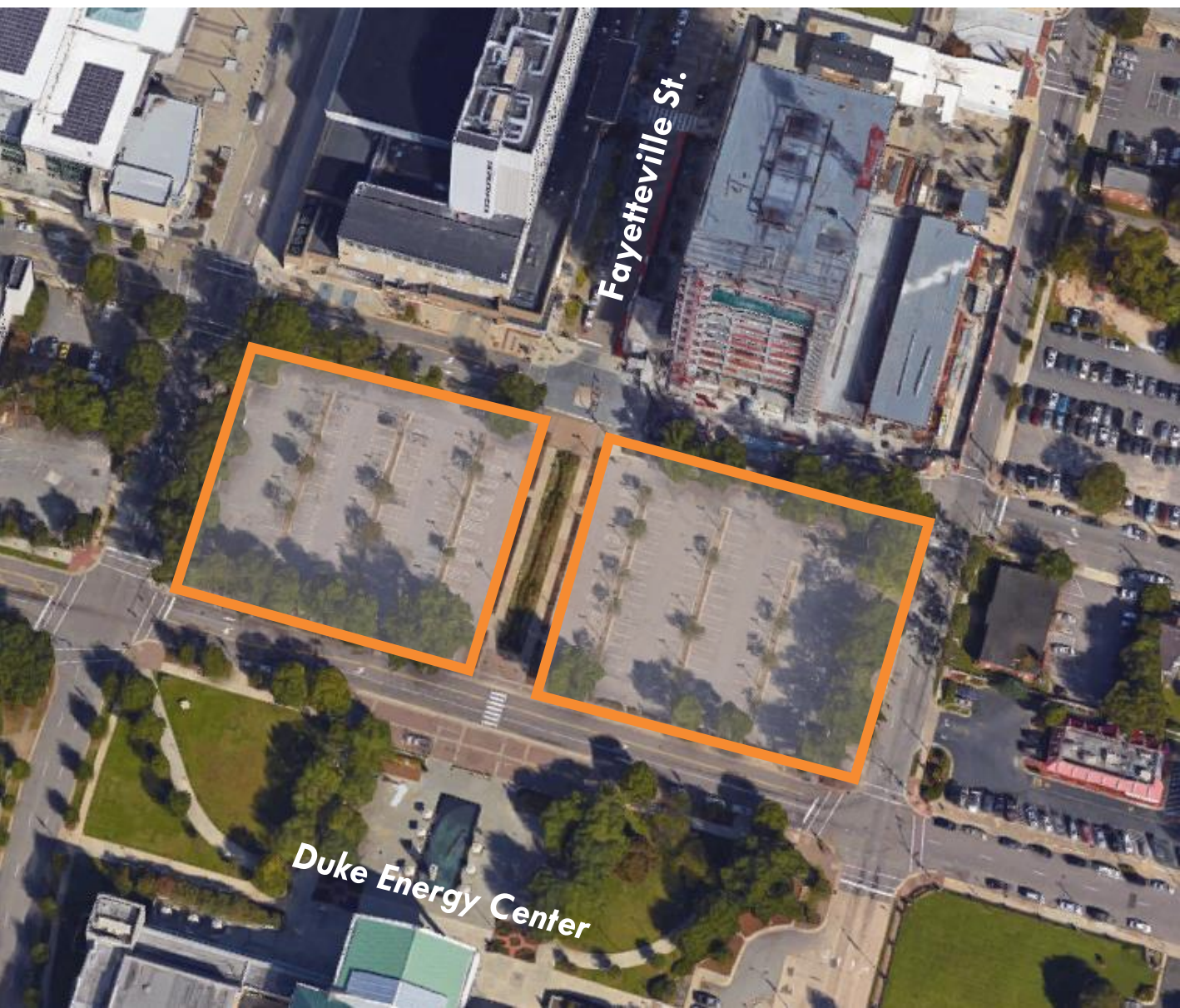
- Retain sites and seek economic development, corporate recruitment/expansion opportunities
- Phased delivery of office towers
- Supported by above-ground parking decks

SCENARIO 2

Mixed-Use Center (Employment/Hospitality)

- Retain sites and seeks economic development, corporate recruitment/expansion opportunities
- Phased delivery of a mixed-use project to include office and a hotel
- Supported by above-ground parking decks

Site J: Duke Energy Center Surface Lots – Disposition Timeline, Method, and Proceeds

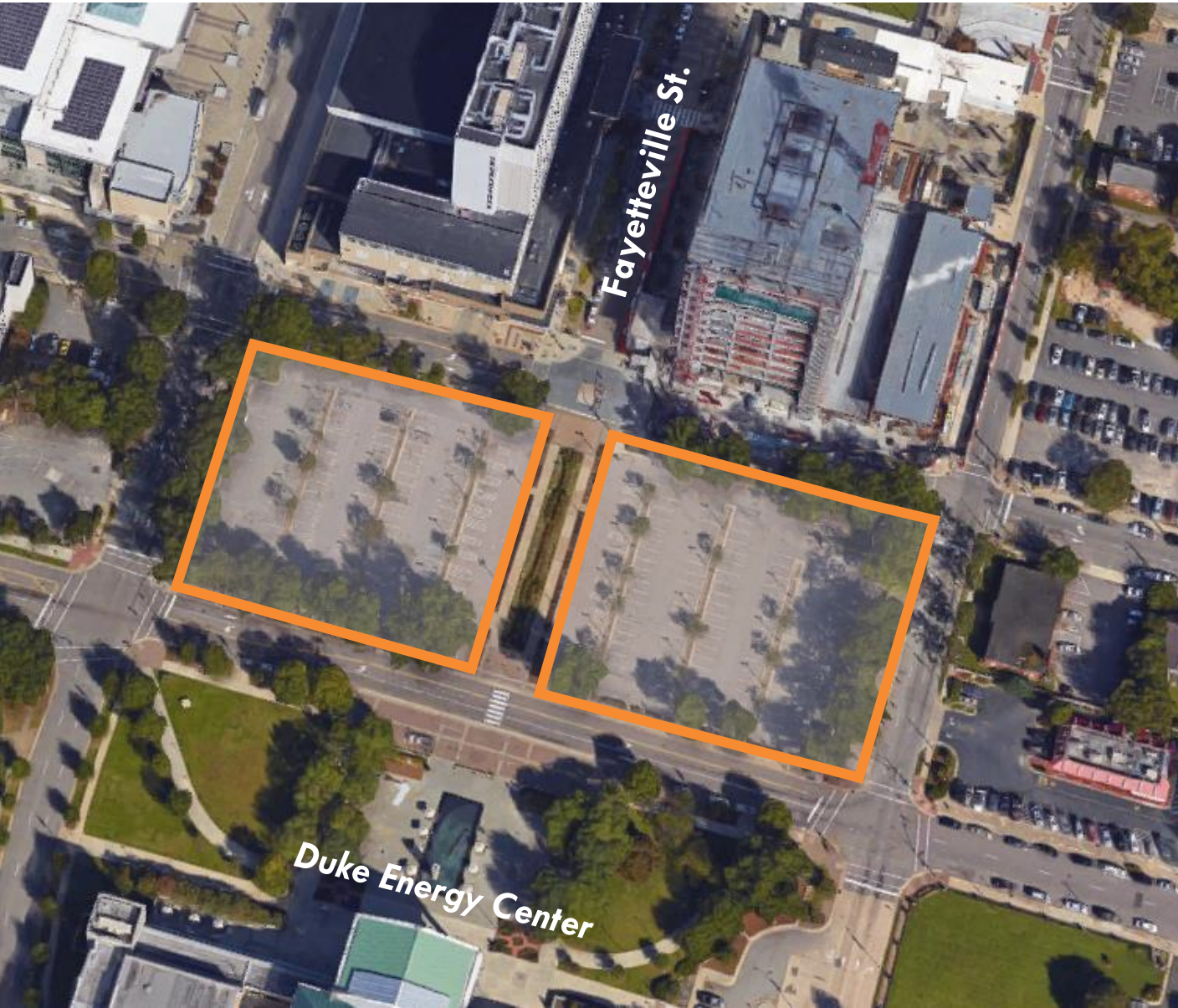


Timeline:
Dependent on Economic Development Use

Site Category:
Significant Public Control

	SCENARIO 1	SCENARIO 2
LAND SALE PROCEEDS	\$2.8M	\$9.0M
FIRST YEAR TAX REVENUES	\$1.6M	\$3.8M
TOTAL REVENUE IMPACT (2018-2032)	\$10.8M	\$27M

Site J: Duke Energy Center Surface Lots – Opportunities and Issues



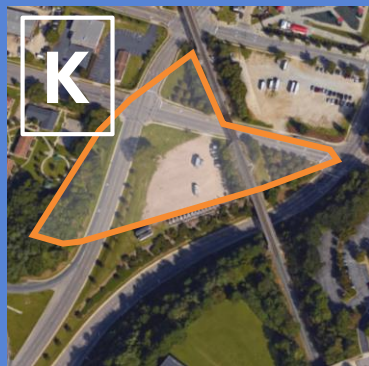
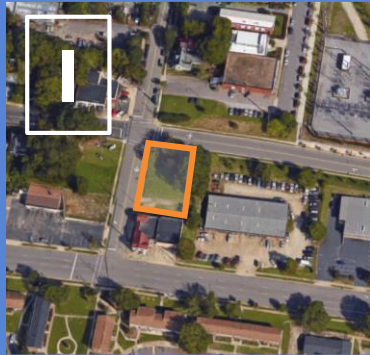
Opportunities:

- *Extend Fayetteville Street*
- *Corporate Headquarter Opportunity*
- *Hospitality*
- *Retail and Community Uses*

Issues:

- *Identifying Anchor Tenants*
- *Replacing Lost Parking*
- *Reserving Site for Office Vs. Office/Hotel Mix*

Supporting Sites



Site I: West & Lenoir Parcels



Housing Opportunities

- Dispose with expectation it will be assembled to support a larger housing-focused development project

Timeline:

Near-Term (0-2 years)

Site Category:

Market Activation

Key Question:

Should staff begin the negotiated offer and upset bid process for these parcels?

Proposed Disposition Timing and Next Steps

NEAR TERM | 0-2 YEARS

Dispose **Site I: West & Lenoir Parcels**

Dispose **Site H: Scattered Blount St. Sites**

Lease/dispose **Horse Barn on Site F: City Market Surface Lot**

Dispose/Retain **Site F: City Market Surface Lot**

Planning for **Site E: Moore Square East Block**

MEDIUM TERM | 2-5 YEARS

Dispose **Site E: Moore Square East Block**

Planning for **Site D: Nash Square West Block**

Planning for **Site L: Southern Gateway Parcels**

LONG TERM | 5+ YEARS

Dispose **Site D: Nash Square West Block**

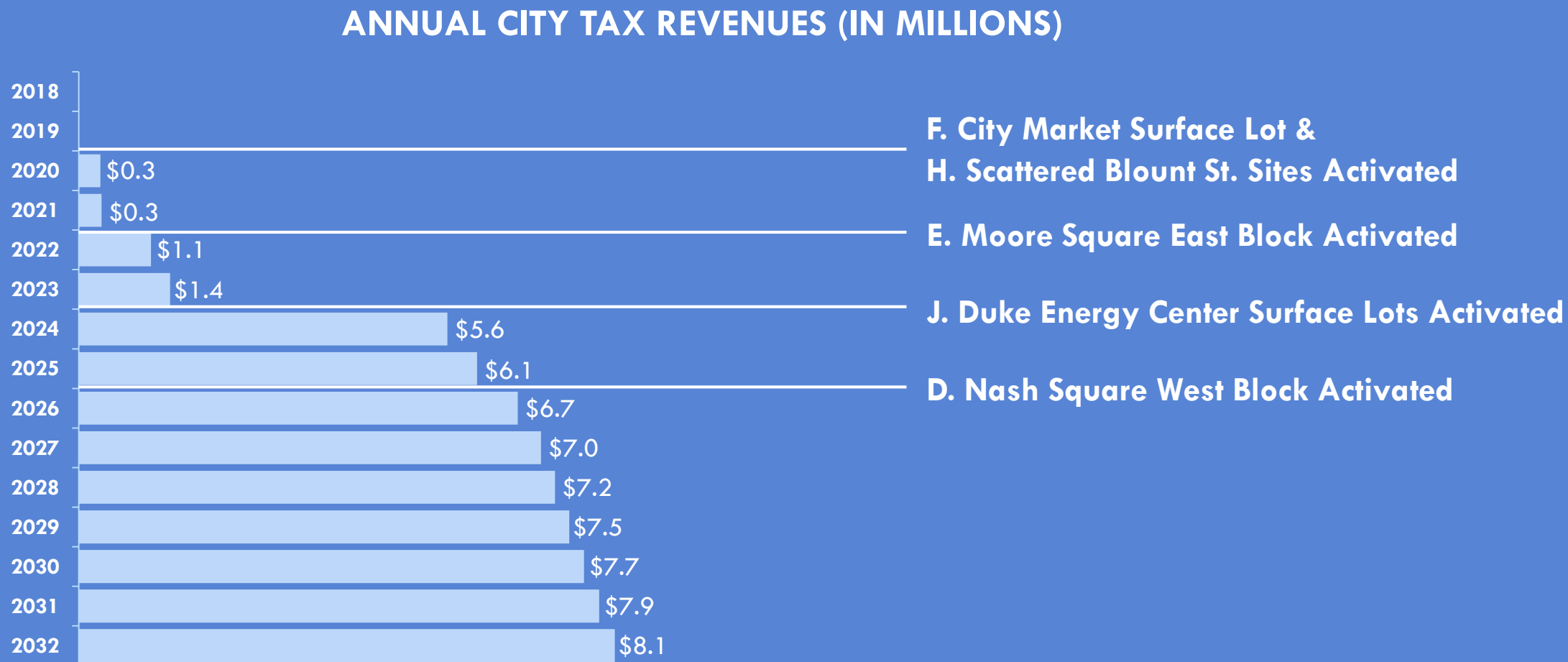
Dispose **Site G: Downtown Police Precinct**

Dispose **Site L : Southern Gateway Parcels**

AT ANY TIME DEPENDING ON IDENTIFICATION OF ECONOMIC DEVELOPMENT USE

Dispose **Site J: Duke Energy Center Surface Lots**

City Tax Revenue Impact From Focus Sites





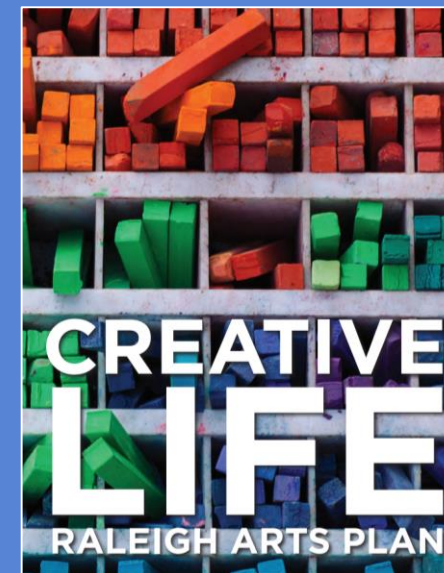
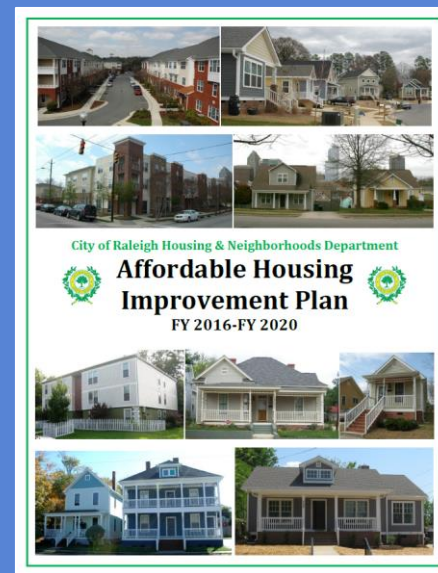
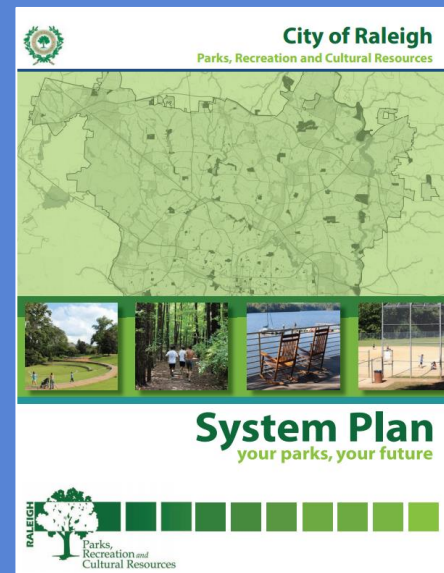
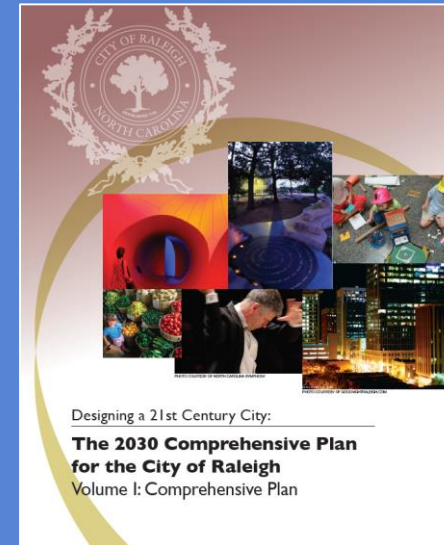
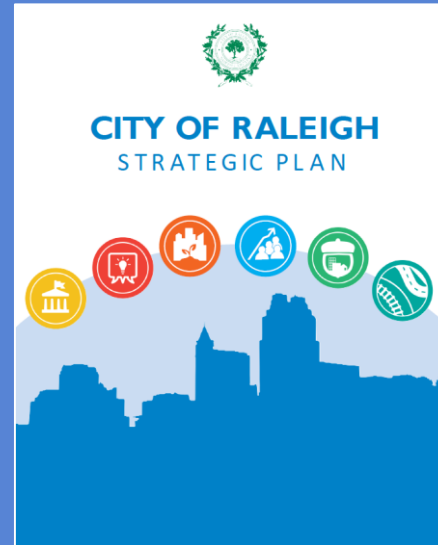
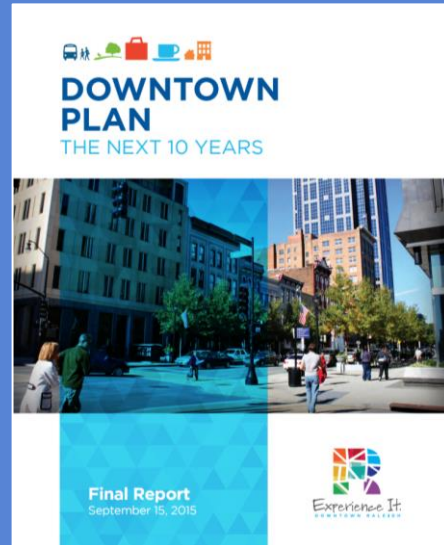
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Identifying Public Priorities

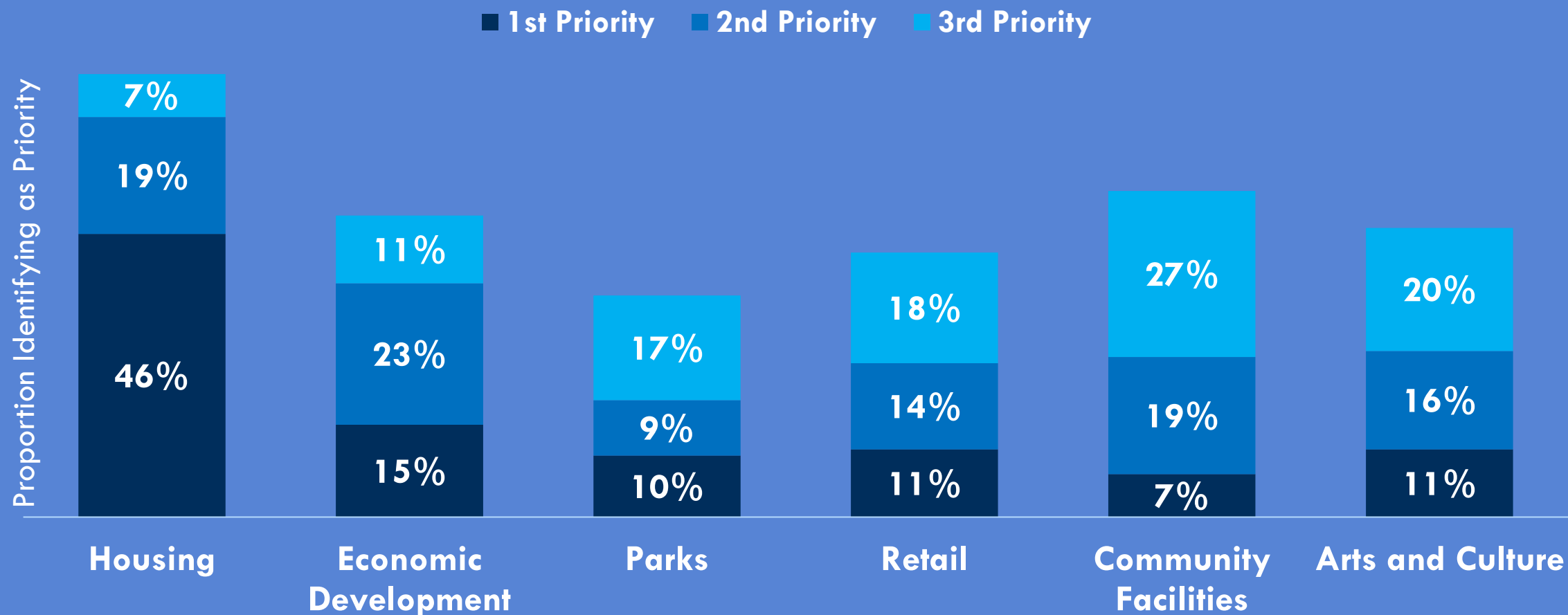


Stakeholder Groups Consulted

- **COMMUNITY OPEN HOUSE**
- **STAKEHOLDER ROUNDTABLES:**
 - City Staff
 - Downtown Citizen Advisory Councils
 - Arts and Cultural Organizations
 - Real Estate Developers
 - Downtown Businesses & Downtown Raleigh Alliance
 - Planning and Design Professionals

Priorities Communicated By City Residents

USE PRIORITIES COMMUNICATED BY COMMUNITY MEETING ATTENDEES



Site A



Cultural, Open Space, and Community Facilities

- Accommodate semi-permanent structures supporting future Devereux Meadows Park
- Recognize that SEHSR may necessitate removal
- Potential to defer decision until future of SEHSR is clarified

Site C



Cultural, Open Space, and Community Facilities

- Maintain use as parking and loading area to support Marbles Museum

Site G



Mixed-Use Center

- Dispose with expectation that developer will deliver high-value mixed-use project, potentially involving assembly or leveraging parking supply in adjacent Wake County Deck

Timeline: Long-Term (>5 years) | **Market Activation**

Site I



Housing Opportunities

- Dispose with expectation it will be assembled to support a larger housing-focused development project

Timeline: Near-Term (0-2 years) | **Market Activation**

Site K



Cultural, Open Space, and Community Facilities

- Use for future City facilities or continue to support Convention Center
- Outparcels used as recreational and open space amenities

Site L



Mixed-Use Center

- Hold this site for major mixed-use center
- Could be assembled with adjacent sites to facilitate a transformative vision as recommended by *Downtown Raleigh Plan*

Timeline: Long-Term (>5 years) | **Guiding Development**